

Michigan Agriculture Commission
Statement by Sen. Jim Barcia
February 10, 2004

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I would like to thank the members of the Michigan Agriculture Commission for allowing me to come before you today to highlight the concerns of many across the state with regard to the Central American Free Trade Agreement (CAFTA) and to state my strong support for our state and nation's sugar industry.

To quote our Governor in her State of the State address:

"All of us must specifically call on all those who seek the Presidency – on both sides – to stand up for robust trade, lots of it, but *fair* trade, so that our outstanding companies and hard-working people will have good jobs in the years ahead. If the playing field in the ruthless game of global competition is level, our Michigan businesses will win every time. But at a time when we are losing so many jobs, American trade policy should not be giving points to the other team."

As you know, recently U.S. trade negotiators reached a free trade agreement with five countries in Central America, including El Salvador, Guatemala, Honduras and Nicaragua and Costa Rica. This agreement will most likely come to a vote in Congress in the spring. As negotiated, upon ratification, the agreement allows these five countries to export an additional 90,000 metric tons of sugar into the U.S., with a 2 percent increase each year after for the next 15 years. Many believe that it is not the CAFTA agreement alone that could drastically impact our country's sugar industry, but the precedence it sets for future free trade negotiations that the United States is involved with, such as the North American Free Trade Agreement (NAFTA); the Free Trade Area of the Americas (FTAA); and the more than 20 other free trade agreements that are currently in negotiation that could lead to significantly increased levels of sugar imports, making it extremely difficult for sugar producers in this country to remain viable.

I strongly support the sugar growers here in Michigan and am fully aware that the sugar industry serves as a vital contributor to our local and state economies. Sugar beets are grown on 180,000 acres in 18 counties in Michigan and in 2002 Michigan produced 900 million pounds of pure sugar for the domestic market.

I am happy to report that last fall I introduced Senate Resolution 175 (SR 175) urging U.S. trade negotiators to support our nation's sugar industry and to seriously consider the consequences of these negotiations on our domestic sugar industry. The Resolution served to invoke dialogue in the Senate chambers and brought much deserved attention at the state level to this serious matter.

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Last week Monitor Sugar Company, headquartered and operated in Bay City; and Michigan Sugar Company with factories in Caro, Carrollton, Croswell, and Sebawaing, held a press conference announcing the collection of more than 10,000 signatures to be sent to President Bush in opposition of CAFTA and other free trade negotiations that threaten the U.S. sugar industry. The sugar beet growers in this state are determined to fight this injustice all the way. We need to ensure that our voices are heard – and we need to educate people on the negative impact that increased levels of sugar imports will have on our country and our state's sugar industry.

I applaud the efforts of our two sugar companies, Michigan Sugar and Monitor Sugar, as well as the sugar beet growers in this state, in denouncing CAFTA and drawing attention to the serious consequences the agreement may have on our state's sugar industry.

It is vital that our elected officials in Congress know the ramifications of CAFTA before deliberations begin and how critical the agreement is to the farmers in this state. I remain committed to doing all I can to protect the sugar industry in Michigan.

Thank you for allowing me this opportunity to speak in support of Michigan's sugar growers and our state's vital sugar industry.